

review process for a supplemental request is much the same as that for a regular appropriation. The subcommittee that normally handles the program holds hearings during which the requesting agency presents its reason for submitting a supplemental rather than waiting until the new fiscal year. According to Appropriations Committees staff members, the reviews are often conducted more leisurely than those for regular appropriations, but are likely to go into the same level of detail. The Appropriations Committees then package many supplemental items into an omnibus bill once or twice a year. They also report single item bills from time to time.

The Congress has generally approved less than the full amount of the supplementals requested by the President. In all but three of the past eleven years, the requests have been larger than the amounts enacted; the average annual amount enacted was approximately 95 percent of all Presidential requests--about the same proportion as that for regular appropriations requests (see Table 1).

TABLE 1. APPROVAL RATE OF PRESIDENTIAL REQUESTS, FISCAL YEARS 1970-1980 (Budget authority in billions of dollars)

Fiscal Year	President's Request	Enacted by the Congress	Difference	Percent Enacted of Amount Requested
1970	6.5	6.0	-0.5	92
1971	10.4	9.9	-0.5	95
1972	11.6	11.6	0.0	100
1973	11.4	11.4	0.0	100
1974	17.0	14.8	-2.2	87
1975	27.1	27.6	+0.5	102
1976	25.1	24.6	-0.5	98
1977	38.7	36.7	-2.0	95
1978	16.2	16.1	-0.1	99
1979	14.4	13.8	-0.6	96
1980	31.3	19.5	-11.8	62 <u>a/</u>

a/ The large difference in 1980 results from the Congressional decision to consider the Foreign Assistance appropriations separately from the omnibus supplemental bill. The President's request included full fiscal year funding for foreign assistance programs, which were operating under continuing resolution. If the \$9.5 billion for Foreign Assistance were omitted from the President's request, the approval rate for 1980 would rise to 89 percent.

During the 1970s, supplemental appropriations were used to fund a wide range of activities. The most important of these were: comparability pay raises for federal employees, natural disaster relief, changes in entitlement programs caused by unexpected economic conditions, economic stimulus programs newly enacted by Congress, and ongoing federal programs whose appropriations were delayed by late reauthorizing legislation. The large residual supplementals for miscellaneous uses is hard to classify further. If the period under review had included the late 1960s, funding of national defense emergencies would have been another important reason for supplemental appropriations.

Because they occur after the heart of the budget cycle is completed, supplemental appropriations receive relatively little attention from observers of federal budgeting. The Appropriations Committees and the Congress may wish to review periodically the use of supplemental appropriations. This review could ask such questions as the following:

- o Since supplementals permit government spending to exceed amounts previously voted upon in concurrent resolutions as appropriate levels of federal activity, are supplementals being used to circumvent budgetary controls?
- o In the interest of rational planning, there is a general presumption that supplemental appropriations should be as small as possible. Do large supplementals in a given year indicate a failure of planning, or a response to unforeseeable conditions?

The analysis of supplemental uses during the 1970s provided in this paper is intended to assist the Congress in consideration of such questions.



---

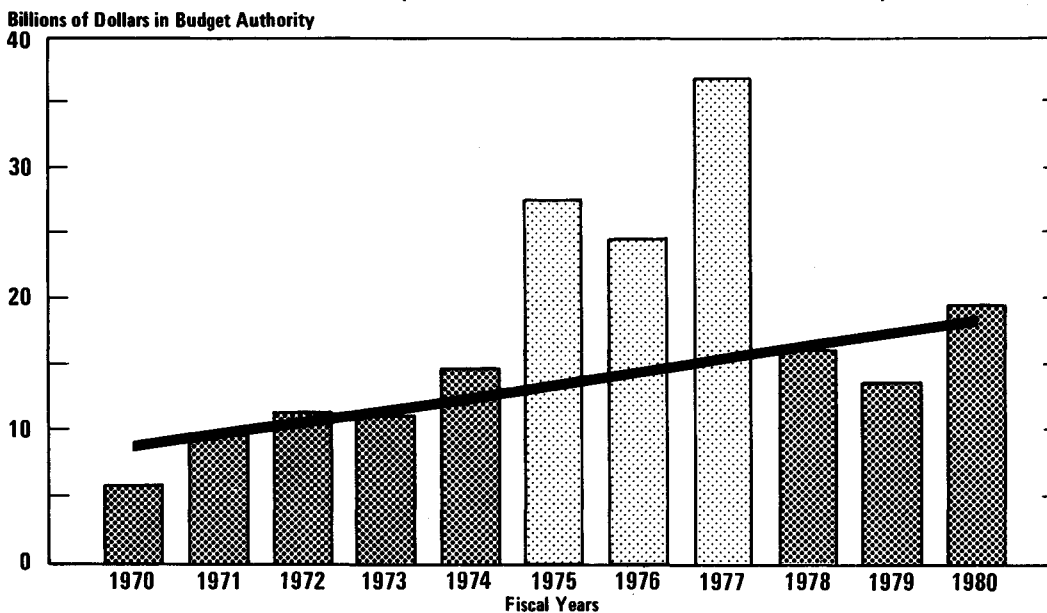
## CHAPTER II. REASONS FOR SUPPLEMENTAL APPROPRIATIONS

---

During the first half of the 1970s, supplemental appropriations averaged \$10.7 billion per year. This average rose to \$29.6 billion in 1975, 1976, and 1977, and fell again to an average of \$16.5 billion during the most recent three-year period. The three mid-decade years, particularly 1977, the first year of the Carter Administration, stand out as deviations from the other years (see Figure 1 on page 1). If these three years were omitted from consideration, a trend line could be drawn for the remaining years which would show a gradual rise in the dollar amounts of supplemental appropriations. This is done in Figure 2.

Except for the mid-decade years, supplemental appropriations have remained a relatively constant proportion of all appropriations, fluctuating between 4 and 8 percent. In all but the 1975-77 period, the yearly fluctuations from the trend line are relatively minor. This suggests that there is an underlying pattern of supplemental use through the decade. The

Figure 2.  
Trend Line Showing Rate of Increase in Supplemental Appropriations,  
Fiscal Years 1970-1980 (1975-1977 Omitted from Trend)



existence of such a pattern is confirmed by comparing the amounts provided in supplemental appropriations to the total of regular appropriated spending for each year (see Table 2). This explains the upward slope of Figure 2's trend line: the gradual growth in supplemental appropriations during the decade parallels a gradual growth in all appropriations. The mid-decade years aside, the Congress has not relied on supplemental appropriations to fund an increasing portion of federal activity.

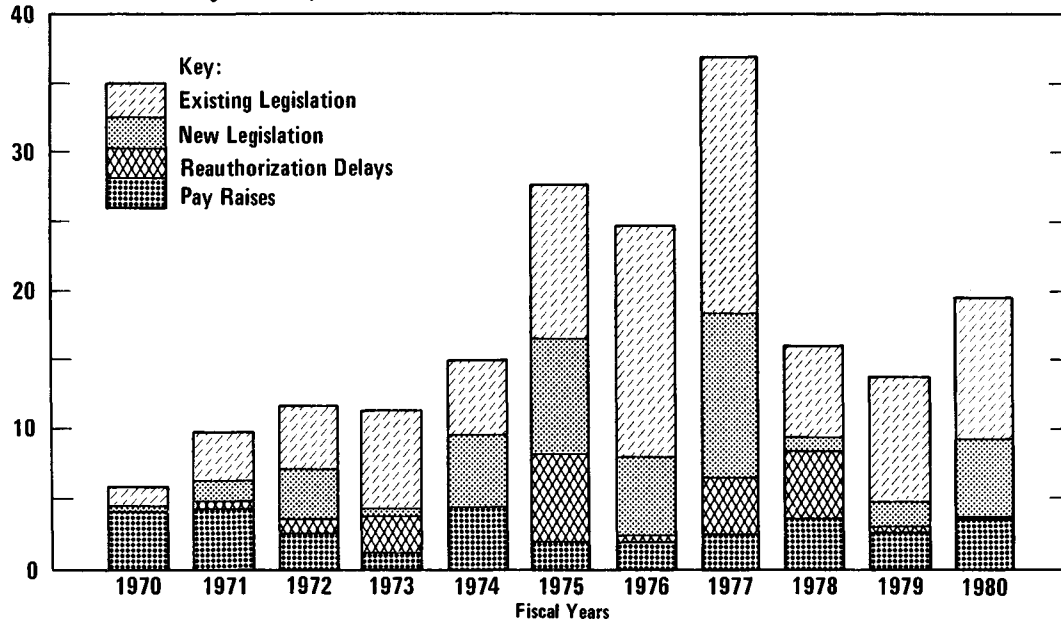
TABLE 2. SUPPLEMENTAL APPROPRIATIONS IN BUDGET AUTHORITY AND AS A PERCENT OF ALL APPROPRIATIONS, FISCAL YEARS 1970-1980 (Budget authority in millions of dollars)

Fiscal Year	Budget Authority	Percent of All Appropriations
1970	5,993	4.4
1971	9,870	6.8
1972	11,599	7.1
1973	11,371	6.5
1974	14,796	7.7
1975	27,587	13.2
1976	24,636	9.8
1977	36,723	13.7
1978	16,053	5.0
1979	13,845	4.1
1980	19,461	5.0

This underlying pattern could be considered the predictable part of supplemental appropriations. In view of emergency and other unforeseen needs for supplementals, it may seem unusual that some supplementals are more predictable than others, but such is the case. The predictable portion consists of items for which a supplemental is required almost every year, such as federal pay raises and disaster relief. During the 1970s, all reasons for supplementals, except those for economic conditions, fall into the underlying pattern. Though the amounts required fluctuate from year to year, the pattern of use of supplementals at the first of the decade is similar to that at the end (see Figure 3). During the three mid-decade years, extraordinary circumstances called for additional supplemental appropriations, on top of the more predictable items.

Figure 3.  
Legislative Circumstances of Supplemental Appropriations,  
Fiscal Years 1970-1980

Billions of Dollars in Budget Authority



The remainder of this chapter investigates the general pattern of supplemental appropriations. Chapter III explains the unusually large amounts for 1975-77.

#### GENERAL TRENDS IN SUPPLEMENTAL APPROPRIATIONS

Supplemental appropriations may be sorted into four categories that illustrate the relationship between the appropriation and its authorizing legislation:

- o Federal civilian and military employee comparability pay raises, the exact cost of which is not known until after action is completed on regular appropriation bills. 1/

1/ Supplemental appropriations to pay legal claims and judgements against the United States are included with pay supplementals, for

- o Delay of legislation reauthorizing current programs beyond the time that the Congress acts on the regular appropriation bills.
- o New legislation enacted after action is completed on the regular appropriation bills, and expected to take effect before the start of the next fiscal year.
- o Existing legislation requiring funding for certain programs or activities because of circumstances not foreseeable at the time of the regular appropriation bills.

Any division of supplemental appropriations into categories is somewhat arbitrary, because substantive reasons for the requests often overlap. The above breakdown, which uses legislative rather than substantive circumstances, is constructed to eliminate any overlap. As Figure 3 and Table 3 show, and the rest of the chapter will confirm, there has not been a consistent shift in the major reasons for supplemental appropriations, either away from or toward any particular reason, during the 1970-1980 period.

The first two categories involve special features of the budgeting process: increased pay costs and delays in authorizing legislation. Funding of yearly federal pay increases for civilian and military employees has been a small portion of all supplementals, accounting for 15 percent of the total for the eleven-year period. The granting of pay raises is the most predictable of all events leading to supplementals. In contrast to supplementals justified as unforeseeable in advance, pay supplementals are a routine part of the yearly budget process for reasons that are discussed in the next section. The fluctuations in size of pay supplementals from year to year have been smaller than the fluctuations in the size of supplementals for any other purpose.

Supplementals necessitated by delayed reauthorizations, on the other hand, vary greatly from year to year, depending on the success with which the authorizing committees handle the scheduling of their workload. During the period as a whole, reauthorization delays accounted for 11 percent of all

---

both represent the elimination of a deficiency status in the budget. The use of supplementals to pay legal claims and terminate other deficiencies has never involved large sums, accounting for only 2 percent of all supplementals during the 1970s. Legislation in 1977, P.L. 95-26, provided permanent spending authority for claims against the United States, eliminating the need for supplemental appropriations.

supplemental budget authority, though in several years there were no supplementals for this reason. Thus, for these two categories, the need for supplemental appropriations has little to do with the nature of the program being funded--pay supplementals are a deliberate part of the budget process, and reauthorization delay supplementals are the by-product of a temporary failure in the process.

TABLE 3. REASONS FOR SUPPLEMENTAL APPROPRIATIONS, FISCAL YEARS 1970-1980 (Budget authority in millions of dollars)

Fiscal Year	Increased Pay Costs <u>a/</u>	Reauthorization Delays	New Legislation	Existing Legislation	Total Enacted
1970	4,025	---	162	1,806	5,993
1971	4,276	502	1,351	3,741	9,870
1972	2,372	1,391	3,341	4,495	11,599
1973	970	2,824	519	7,058	11,371
1974	5,289	---	5,330	5,289	14,796
1975	1,970	6,205	8,143	11,270	27,587
1976	2,031	162	5,778	16,665	24,636
1977	2,364	4,207	11,687	18,466	36,723
1978	3,724	4,924	1,057	6,349	16,053
1979	2,738	247	1,731	9,129	13,845
1980	<u>3,731</u>	<u>54</u>	<u>5,537</u>	<u>10,139</u>	<u>19,461</u>
Total	32,378	20,516	44,636	94,407	191,934
-----					
Percent of Total Enacted	17	11	23	49	100

a/ Includes legal claims and other deficiency payments through 1977. See footnote 1 on page 9.

Justification for the remaining three-quarters of all supplementals follows directly from the needs of the programs themselves. The circumstances may involve an unforeseen development in almost any program. One-third of this remainder (or almost a quarter of the total) is requested to institute newly enacted programs or amendments making major changes in previously enacted ones. The final category, comprising slightly over half of all supplementals, is appropriations enacted on the basis of existing legislation (without major new amendments). This includes funding to respond to natural disasters, defense emergencies, and economic conditions.



Supplementals may be enacted for discretionary, mandatory or entitlement items. Entitlements funded through general revenues rather than trust funds require appropriations before spending can occur, and therefore may appear in supplemental bills. All pay supplementals are classified as mandatory, and all delayed reauthorization supplementals are classified as discretionary. All three types of items are found in the new and existing legislation categories. During the period studied, 55 percent of all supplemental budget authority was for discretionary items, 32 percent for entitlements, and 18 percent for other mandatory requirements.

## MAJOR CATEGORIES OF SUPPLEMENTAL APPROPRIATIONS

### Federal Pay Raises

The Congress relies on supplemental appropriations to meet federal pay increases, because their exact costs are not known until after passage of the regular appropriations bills. The exact amounts have varied from year to year, but have generally been in the range of \$2 to \$4 billion (see Table 4).

Pay increases are determined through a series of steps, whose schedule is not synchronized with the regular appropriations process. In the January budget, the President makes a highly tentative recommendation for the next fiscal year's pay raise. The recommendation is usually very conservative because a low estimate of the requirement gives the appearance of fiscal restraint. During February and March, the Bureau of Labor Statistics (BLS) studies the comparability of federal and private pay. It submits this study to the President's pay board, which draws up a recommended new pay schedule. In September, one month before the start of the fiscal year, the President submits his second, and more realistic, recommendation for pay increases to the Congress. He may adopt the schedule of the pay board, though in recent years he has recommended smaller increases. The recommended increases become effective on the first day of the new fiscal year, unless the Congress disapproves them, even though appropriations for them have not yet been enacted. In late January, the President submits his final request for pay supplementals for the current fiscal year, based on the earlier recommendation. The amounts requested are smaller than the full pay increase announced in September, reflecting demands by the President, through OMB, that the agencies "absorb" much of the increased cost through various administrative economies. Pay supplementals are requested only for amounts agencies have not been able to absorb. Additional absorption must take place if the Congress trims back the supplemental requests before approving them.

If the timing of the BLS comparability study and various recommendations were pushed back several months, the need for pay supplementals

could be virtually eliminated. Though it would require a change in law, it would be possible for the President to submit his revised pay schedule in time for regular appropriations bills. The Congress has found it beneficial to leave the schedule as it is, so that it can require additional absorption as late into the fiscal year as possible. The Congress considers that the economies obtained through absorption contribute to good agency management. Most of the absorption, however, results from the negotiations between the agencies and OMB (see Table 4, column three). In recent years, only a quarter of the total amount absorbed is attributable to Congressional pressure. The Congress has usually reduced the request as presented by the President by \$100 to \$300 million. In 1980 Congressional pressure took the form of requiring agencies to absorb pay raise costs by transferring funds from accounts with excess funds into those which could not absorb as much as had been hoped. If agencies anticipate that a certain amount of absorption will be necessary, they may adjust their original requests accordingly, and pressure from OMB and the Congress will then achieve little in terms of forcing more efficient agency management.

TABLE 4. SUPPLEMENTAL APPROPRIATIONS FOR FEDERAL PAY RAISES, FISCAL YEARS 1970-1980 (Budget authority in millions of dollars)

Fiscal Year	Fully Increased Costs <u>a/</u>	Absorption Required by the President (Through OMB)	Absorption Required by the Congress	Enacted Supplemental <u>b/</u>
1970	5,600	1,200	400	4,000
1971	5,000	600	300	4,100
1972	2,900	300	300	2,300
1973	1,400	400	100	900
1974	4,100	500	300	3,300
1975	2,400	400	200	1,800
1976	3,300	1,200	200	1,900
1977	2,800	600	100	2,100
1978	3,800	500	100	3,200
1979	3,700	1,200	100	2,400
1980	4,200	200	300	3,700

a/ CBO estimates.

b/ Differs from Table 3 because claims and deficiencies are excluded.

There is some speculation that the timing of supplemental appropriations, particularly pay supplementals, may contribute to accelerated year-end spending. Although agencies must begin paying their employees at a higher rate on the first of the fiscal year, they do not know how much they will actually receive for this purpose until much later, when the supplemental is finally passed. To cope with the uncertainty, agencies may withhold discretionary funds to cover the contingency that the absorption requirement will be higher than expected. If the supplemental turns out to be relatively generous, these agencies will find themselves with a reserve of discretionary funds, which must be spent before the fiscal year ends or they will revert to the Treasury. The date of passage of pay supplemental bills was close enough to the end of the fiscal year in 1978 and 1979 that it may indeed have resulted in excess year-end spending (see Table 5). 2/

TABLE 5. NUMBER OF MONTHS BETWEEN ENACTMENT OF PAY SUPPLEMENTAL AND END OF FISCAL YEAR, FISCAL YEARS 1976-1980

Fiscal Year	Number of Months
1976	4
1977	5
1978	1
1979	2
1980	4

#### Reauthorization Delays

The rules of the House and Senate generally prohibit the Appropriation Committees from reporting appropriations for activities not previously authorized by law. 3/ A major share of on-going federal activities are authorized for limited periods of time and must be reauthorized when the time limits expire before additional appropriations can be provided. In recent years, the number of budget activities requiring annual authorizations has increased substantially, and in any given year a large number of

2/ For a discussion of the extent of this phenomenon, see General Accounting Office, Government Agencies Need Effective Planning to Curb Unnecessary Year-End Spending (July 28, 1980).

3/ House Rule XXI, Clause 2 and Senate Rule XVI, paragraph 2.

multiyear authorizations expire. About 30 percent of the new appropriations requested in the 1980 budget were for programs requiring authorization prior to enactment of appropriations. Delays in enacting the necessary authorizing legislation present the Appropriations Committees with a serious problem. When such a delay occurs, the committees must either seek a waiver of the rules to permit funding of on-going programs in the regular appropriation bill or delay action until a supplemental bill.

The Appropriation Subcommittees vary widely in their response to delays in authorizing legislation. Some subcommittees provide funds in a regular appropriation bill for on-going programs requiring reauthorization if either the House has passed an authorization bill or a committee has reported it, thus eliminating the need for a supplemental. Other subcommittees, such as the Subcommittee on Labor, Health and Human Services (HSS), and Education, frequently choose to delay appropriating funds until after the authorization legislation is enacted. About 60 percent of all supplementals attributable to delayed reauthorizations during the past ten years have been reported from this subcommittee. Most of the remainder has come from the Housing and Urban Development (HUD)-Independent Agencies Subcommittee.

Delayed authorizations have not been a major reason for supplemental appropriations in the 1970s. Only about 11 percent of all funds authorized through supplementals during the past ten years can be attributed to such delays, and the amounts are concentrated in four years: 1973, 1975, 1977, and 1978. The budgets for each of these fiscal years, except 1978, were prepared during the second session of a Congress, suggesting that during its last few months the Congress faces so many tasks that the authorizing committees have difficulty completing their required business on time.

When a supplemental for delayed authorizations is needed, it funds the entire program rather than, as in the case of other supplementals, only the marginal additions to the regular budget. This leads to the widely fluctuating, all-or-nothing pattern seen in Figure 3.

Delayed action by authorizing committees often creates the need for supplementals for new as well as on-going programs. As discussed below, some of the requests for supplementals for new legislation can be attributed to slow authorizations, though the exact amount is difficult to determine. The figures for the delayed reauthorization category, therefore, understate the magnitude of the supplementals necessitated by Congressional scheduling problems.

### New Legislation

When the Congress passes an act establishing a new program or amending an old one, it often prefers to put the new law into effect immediately rather than wait for the start of the next fiscal year. When it does so, a supplemental appropriation is necessary. During the 1970s, new legislation accounted for roughly one-fourth of all supplemental budget authority.

Many of the individual items under new legislation are very small. New commissions and Congressionally mandated research projects are frequently funded through supplemental appropriations. These numerous items do not add a great deal of budget authority. In some years large supplemental items are the result of amendments to entitlement programs, such as new eligibility rules or changes in interest rates (see Table 6). For example, of the \$1.7 billion in supplemental appropriations under new legislation in 1979, nearly \$1.6 billion came from changes in three entitlement programs: student loans, HEW's social services, and veterans' pensions. If the effective date of the changes had been set after the beginning of the next fiscal year, there would have been no need for supplementals for these programs.

TABLE 6. SUPPLEMENTAL APPROPRIATIONS FOR NEW LEGISLATION, FISCAL YEARS 1970-1980 (Budget authority in millions of dollars)

Fiscal Year	Entitlement and Other Mandatory Programs	Discretionary Programs	Total New Legislation
1970	158	4	162
1971	816	535	1,351
1972	127	3,214	3,341
1973	83	436	519
1974	338	4,992	5,330
1975	7,620	523	8,143
1976	784	4,994	5,778
1977	5,837	5,850	11,687
1978	500	557	1,057
1979	1,567	164	1,731
1980	779	4,758	5,537
Total	18,609	26,027	44,636

Some of the supplementals for newly enacted programs result from late passage of the authorizing legislation by the Congress. In many cases a new program is proposed, and a rough timetable for enactment and implementation sketched out. When legislative snags hold up the bill until late in the year, the regular appropriations acts are passed with no mention of the new program. The agency or the Congressional sponsors request a supplemental appropriation so that implementation will not fall behind schedule. In such a case, the Congressional budget totals may have already included an allowance for the proposed programs. It is difficult to tell whether many of the new legislation supplementals were required because of late authorization. An estimate of the proportion could only be found by tracing the legislative history for the legislation establishing each new program.

The first year of the Carter Administration, 1977, showed the heaviest use of supplementals for new programs during the decade (see Figure 3). The Carter Administration took office four months into the fiscal year 1977 budget. In order to place its stamp on the budget and to deal with the sluggish economy, the Administration requested a number of new programs, to be enacted as soon as possible. The Congress passed an "Economic Stimulus Supplemental" in May 1977, which included \$10.2 billion in budget authority under new legislation. <sup>4/</sup> While dependence on supplementals is likely to be significant whenever an Administration changes and inherits a budget, the change in Administration parties and economic circumstances of 1977 created a particularly dramatic shift.

#### Existing Legislation

The requests based on unexpected developments in already authorized programs are the final category for supplemental appropriations (see Table 7). Supplemental appropriations have been enacted under existing authority for programs from flood clean-up to excess costs of construction projects. In some of those cases, the expenditure is well within the guidelines set for supplementals; it follows an unforeseeable event requiring immediate action. In others, the need may be less pressing or may spring from deficient planning during the appropriation stage (whether by the Administration or by the Congress).

A classic source of supplemental appropriation requests are natural disasters. In 1980, supplementals for disaster relief totaled nearly \$2.8 billion, of which almost \$2 billion stemmed from the eruption of Mt. St. Helens. Throughout the 1970s, about 14 percent of existing legislation

---

<sup>4/</sup> These programs included Economic Development Administration public works and countercyclical revenue sharing, among other things.

supplementals, or 5 percent of all supplementals, were used to deal with the aftermath of natural disasters. These amounts have fluctuated widely over the years, in a manner unrelated to the overall level of supplemental appropriations. Costs for fighting forest fires have traditionally been funded through supplemental appropriations, as have Small Business Administration disaster loans and some activities of the Federal Emergency Management Agency. For these programs, the President's budget usually seeks some standard operating level of funding in its regular appropriations requests, and asks for additional funds only when it becomes apparent that these funds will be insufficient.

TABLE 7. REASONS FOR SUPPLEMENTAL APPROPRIATIONS FOR EXISTING LEGISLATION, FISCAL YEARS 1970-1980 (Budget authority in millions of dollars)

Fiscal Year	Natural Disasters	Changed Economic Conditions/ Economic Stimulus	Other Unforeseen Needs <u>a/</u>	Total for Existing Legislation
1970	305	879	622	1,806
1971	485	1,737	1,519	3,741
1972	61	3,313	1,121	4,495
1973	2,805	2,396	1,857	7,058
1974	384	1,259	3,646	5,289
1975	132	8,743	2,395	11,270
1976	242	14,189	2,234	16,665
1977	904	12,035	5,527	18,466
1978	3,308	347	2,694	6,349
1979	1,452	2,862	4,815	9,129
1980	<u>2,797</u>	<u>5,411</u>	<u>1,931</u>	<u>10,139</u>
Total	12,875	53,171	28,361	94,407

a/ Includes defense emergencies in 1979 and 1980.

It is generally agreed that this funds-as-needed method is suitable for natural disasters. The need to appropriate disaster funds quickly has not created particular difficulties for appropriating committees or executive agencies. Overfunding would necessitate rescissions if the anticipated disasters failed to materialize, or might encourage agencies to award disaster relief in situations where the problems are not severe. It may well be possible to refine the funding for natural disasters: the regular appropriations could be brought closer in line with expected disaster needs, or the

responses of certain disaster relief programs could be more automated to shorten implementation. These changes could shift up to roughly \$0.5 billion to regular appropriations, or \$1.5 billion if Small Business Administration loans were included. <sup>5/</sup> While this might be useful, it would have only a small effect on the overall pattern of supplemental appropriations.

National defense emergencies fit the guidelines for suitable treatment by supplementals, and during the 1960s there were a series of defense-related supplementals for the Vietnam War. Throughout most of the 1970s there have been no defense requirements of the same urgency. Most Defense Department supplemental requests have been used to meet needs other than national defense emergencies. Recently, with the signing of the Egyptian-Israeli peace treaty in 1979 (which included military aid from the United States to the two nations) and military reinforcement in the Indian Ocean because of the Iranian crisis, supplementals have been used to respond to unforeseen defense requirements. During the 1970s it is hard to make a clear distinction between quasi-emergency needs such as these and supplementals arising from on-going operations of the Defense Department. For this reason, defense emergencies have not been placed in a separate category here, but are classified with other unforeseen needs.

The largest category of supplementals under existing legislation results from changed economic conditions and attempts to provide economic stimulus. Most of the supplementals in this category occur in the large entitlement programs, for which funding requirements increase automatically and which may be so dependent on changeable economic indicators that their needs are difficult to estimate in advance. Economy-related supplementals were particularly large in 1975, 1976, and 1977. Chapter III examines the reasons for this, and describes the effects of economic conditions on supplementals in greater detail.

The remainder of the supplemental requests under existing authorization fall into no particular pattern. These are the miscellaneous requests, many of them quite small, which a large percentage of all agencies make. About two-thirds of all items in supplemental bills (excluding pay supplementals) are in this category of other unforeseen needs. A sixth of the budget authority for all supplementals during the eleven-year period has funded such requests. Among this multitude are requests resulting from unexpected inflation in procurement costs (see Chapter III), true emergencies, poor management, and even deliberate underestimation of budget

---

<sup>5/</sup> This figure was estimated by adding the average yearly supplemental need for the disaster programs requiring supplementals almost every year. It is an order of magnitude estimate only.



needs. It is difficult to sort the true emergencies from the cases that might be open to questions of poor budget discipline. In 1980 a clearly urgent reason for many requests was the influx of large numbers of Cuban refugees into the country. In contrast, the \$285 million for increased costs of building the space shuttle was put in a supplemental appropriation not because of its urgency, but because the House Appropriations Committee requested that the National Aeronautics and Space Administration (NASA) provide more proof of the need for the funds than it had given during the regular appropriations review (see Table 8).

TABLE 8. SUPPLEMENTAL APPROPRIATIONS FOR OTHER UNFORE-  
SEEN NEEDS IN FISCAL YEAR 1980 (Budget authority in  
millions of dollars)

Item	Budget Authority
P.L. 480 Food For Peace	143
Dept. of Defense, Military Personnel	110
Dept. of Defense, Operation and Maintenance (largely fuel costs)	2,708
Refugee Assistance	50
Uranium Enrichment Activities	182
Atomic Energy Defense Activities	32
Army Corps of Engineers, Construction	180
Nuclear Regulatory Commission	32
GNMA Special Assistance Fund	150
NASA Space Shuttle Program	285
Tennessee Valley Authority	74
Rescissions and Other Items	<u>-2,015</u>
Total	1,931

#### SUPPLEMENTAL APPROPRIATIONS BY SUBCOMMITTEE

Because of the uses for which supplemental appropriations have been required, some Appropriations Subcommittees have been more likely to report supplemental appropriations than others. That is, some subcommittees account for a larger share of total supplemental budget authority

than would be expected, given their share of all appropriations (see Table 9). The Labor, HHS, and Education Subcommittee reports the largest share of supplemental budget authority (36 percent), followed by the HUD-Independent Agencies Subcommittee (24 percent) and the Defense Subcommittee (14 percent). The percentages for all appropriations differ: Defense is highest with 37 percent of appropriated budget authority, followed by HUD-Independent Agencies (20 percent) and Labor-HHS (19 percent). These differences in pattern do not necessarily indicate that budget planning in some programs is less accurate than in others, or that some subcommittees have looser criteria for supplemental appropriations than others. The more likely explanation is that the supplemental-prone subcommittees have jurisdiction over programs whose needs are particularly hard to anticipate. The Labor-HHS Subcommittee has jurisdiction over entitlement programs for which most increases are automatic and must be approved, and which have involved the largest supplemental items in the 1970s. The Military Construction Subcommittee, at the other extreme, has not been faced with major shifts in the level of costs after their regular budget planning is completed.

TABLE 9. RELATIVE CONTRIBUTION OF APPROPRIATIONS SUBCOMMITTEES TO REGULAR AND SUPPLEMENTAL BUDGET AUTHORITY (In percents)

Subcommittee	Percent Of All Regular Appropriations <u>a/</u>	Percent Of All Supplemental Appropriations <u>b/</u>
Agriculture	5	6
Defense	37	14
District of Columbia	<u>c/</u>	<u>c/</u>
Environment and Public Works	3	<u>c/</u>
Foreign Assistance	2	4
HUD-Independent Agencies	20	24
Interior	4	2
Labor, HHS, Education	19	36
Legislative Branch	<u>c/</u>	<u>c/</u>
Military Construction	1	<u>c/</u>
State, Justice, Commerce	3	6
Transportation	2	2
Treasury, Postal Service	2	5

NOTE: Details may not add to totals because of rounding.

a/ Average of 1975-1980; data not available before 1975.

b/ Average of 1970-1979.

c/ Less than 0.5 percent.

---

### CHAPTER III. SUPPLEMENTAL APPROPRIATIONS DURING FISCAL YEARS 1975, 1976, AND 1977

---

Supplemental appropriations during 1975, 1976, and 1977 departed from the underlying pattern of supplemental use prevailing throughout the 1970s. The deviations from the norm were caused by special circumstances in those years: the poor performance of the economy and, in 1977, the change of Administrations.

#### THE ROLE OF ECONOMIC CONDITIONS

The most important reason for supplemental appropriation requests during the 1970s was unexpected economic conditions. Poor economic performance was the justification for about one-quarter of all the funds appropriated in supplemental bills. Some of these were included in the category of new legislation, but most were authorized under existing programs. The amounts for economic conditions were not distributed evenly throughout the decade, however, but were concentrated in the 1975 to 1977 period, as a result of the severe recession in 1973-1975 and recovery programs in 1976 and 1977. While in all the other years, economy-related programs accounted for an average of 15 percent of all supplemental budget authority, from 1975 through 1977 they accounted for an average of 48 percent. If it were not for this concentrated increase, the volume of supplementals from 1975 through 1977 would be much closer to the overall trend. Excluding the supplementals related to economic conditions, the volumes of supplemental appropriations for fiscal years 1975-1977 fall within the general trend of the whole period, although they are on the high side of the trend (see Figure 4).

Both unemployment and inflation, when higher than anticipated, can create the need for supplemental appropriations in entitlement programs.<sup>1/</sup> Many of the nation's income security programs have built in stabilizers which cause program costs to rise whenever unemployment increases. When people lose their incomes through unemployment, they become eligible for a number of benefits, such as unemployment compensation and food stamps. Because these programs are entitlements, federal spending must rise with the eligible population, and the Congress has no

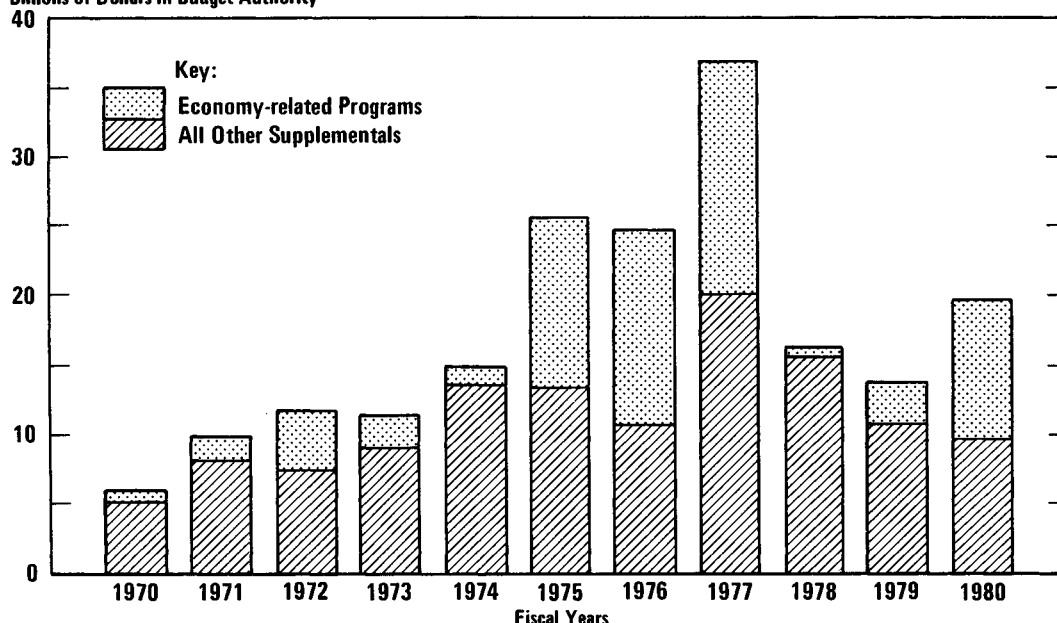
---

<sup>1/</sup> Entitlements are benefits prescribed by law for all persons meeting a program's eligibility requirements.

Figure 4.

# Supplemental Appropriations for Economy-Related Programs and All Other Supplementals, Fiscal Years 1970-1980

Billions of Dollars in Budget Authority



choice but to approve the supplemental authority for them. <sup>2/</sup> The effect of inflation on supplemental appropriations is harder to trace. When inflation is unexpectedly high, automatic cost-of-living adjustments across a range of social programs raise benefits to maintain the real value of the funds provided; supplemental appropriations might then be required, though the adjustments lag so far behind changes in price indexes that the effect on supplementals may not be large.

Many of these automatically fluctuating programs are funded out of trust funds and do not require appropriations action, the prime example being Social Security. For other programs, such as Supplemental Security Income, Medicaid, and military retirement pay, the government cannot

<sup>2/</sup> Although since fiscal year 1978 the food stamp program is no longer officially an entitlement, it still has the automatic increases in obligations of an entitlement, but only up to a legislated ceiling on the whole program.